

## LOAN PAYMENTS AND REPAYMENTS

On the loan closing day, the CWFP will wire transfer the first loan disbursement to the municipality. Thereafter, the municipality may request loan disbursements at anytime, but the CWFP only wires disbursements on the 2<sup>nd</sup> and 4<sup>th</sup> Wednesday of each month. CWFP loan proceeds may be used to reimburse expenses already paid (subject to IRS regulations), or to pay current invoices.

Interest on the loan starts accruing from the date of each loan disbursement. Interest on the loan is payable each May 1<sup>st</sup> and November 1<sup>st</sup> starting with the first May 1<sup>st</sup> or November 1<sup>st</sup> following the loan closing. Principal payments are scheduled to begin the May 1<sup>st</sup> following the substantial completion date of the project. The final loan repayment schedule depends on the amount actually drawn for the project and the actual dates that the money is drawn.

## GETTING THROUGH THE PROCESS

For a trouble-free loan process, the CWFP recommends that a municipality...

- pass a reimbursement resolution early in the project period;
- retain an experienced bond counsel;
- submit a complete loan application package to DNR;
- correctly segregate project costs not eligible for CWFP funding, costs not eligible for a subsidized interest rate, and costs funded by another funding source;
- contact their DNR project manager to discuss their financing needs.

## FOR MORE INFORMATION

Contact us at the phone number below or visit our website at:

<http://www.dnr.state.wi.us/org/caer/cfa/EL/elindex.html>

*This brochure is intended to provide general summary information about the CWFP.*



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## WISCONSIN CLEAN WATER FUND PROGRAM

### *Low Cost Financing for Urban Runoff Projects*



## PROGRAM DESCRIPTION

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The Clean Water Fund Program (CWFP), one of three subsidized loan programs included in the State of Wisconsin Environmental Improvement Fund (EIF), provides funding for wastewater and urban runoff projects.

## ELIGIBLE LOAN RECIPIENTS

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Any city, town, village, county, town sanitary district, public inland lake protection and rehabilitation district, metropolitan sewerage district, or federally recognized American Indian tribe or band in this state is eligible to receive a loan from the CWFP.

## ELIGIBLE PROJECTS

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Any urban runoff project that is necessary to meet Wisconsin Pollutant Discharge Elimination System (WPDES) permit requirements under ch. NR 216, Wis. Adm. Code, is necessary to meet a non-agricultural performance standard under s. 281.16 (2), Wis. Stats., or is necessary to control an urban stormwater problem under a plan approved by the Department is eligible for a CWFP loan. The loan can be used to finance a proposed project or for refinancing interim project debt. The scope of a project is described in the urban runoff facility plan that must be approved by the DNR Bureau of Watershed Management.

## INTEREST RATES

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The EIF periodically sells revenue bonds to raise funds to make CWFP loans. The interest rate on these bonds is used to establish the EIF's market rate which in turn is used to establish the interest rate charged on EIF loans to municipalities. Loans for CWFP projects typically carry

interest rates between 55% and 100% of the market rate, depending on the type of project and on some of the design components of the project. Loans for urban runoff projects are eligible for 65% of the market rate.

## ELIGIBLE COSTS

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In general, costs directly related to the planning, design, and construction of an eligible project are eligible costs. Construction costs must be part of the loan request in order for planning and design costs to be eligible for CWFP funding.

## WPDES AND PERFORMANCE STANDARDS

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Many municipalities are required, or soon will be required, to obtain coverage under a WPDES storm water permit. Also, recent legislation has required the Department to establish non-agricultural performance standards that will be required across the state to address urban runoff problems. This will prompt many municipalities to construct urban runoff best management practices. Existing grant programs may not be sufficient to fund many of these projects. The CWFP can help municipalities meet these water quality goals by providing subsidized financing options.

## LOAN REQUIREMENTS

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A municipality must...

- have a facility plan and plans & specifications for the project approved by the DNR Bureau of Watershed Management;
- pledge property tax revenues or revenues from a stormwater utility for CWFP loan payments;

- meet the loan underwriting standards of the Department of Administration;
- have an intermunicipal agreement when 2 or more municipalities own, build, or control the project;
- along with its contractors, comply with minority- and women-owned business utilization requirements;
- have legal title to the land necessary for the project;
- adopt a resolution awarding the construction contract.

## APPLYING FOR A LOAN

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A municipality must submit an Intent to Apply (ITA) form and a priority evaluation and ranking form (PERF) to the CWFP no later than December 31 prior to the fiscal year in which it would like to receive a loan. The PERF scores projects to rank them in environmental priority order. If available funding is less than the total project funds requested, the CWFP will fund projects according to the project priority scores.

A municipality can submit a loan application anytime after its ITA and PERF is submitted. However, the CWFP can close loans only during the 12 month period starting July 1 of the calendar year after an ITA and PERF is submitted. If the municipality's project is delayed, a new ITA can be submitted for the same project.